FINDINGS

The Roots of Rural Population Loss

One in four nonmetropolitan (nonmetro) counties lost population between 1990 and 2000. Many of these counties have been losing population for decades. Over half of "farming-dependent" counties, where farming accounted for at least 20 percent of earnings in 1987-89, had fewer residents in 2000 than in 1990. The 565 farming-dependent counties represent about a quarter of all nonmetro, or rural, counties, but they comprise nearly two-thirds of the counties with population losses of over 5 percent in 1990-2000.

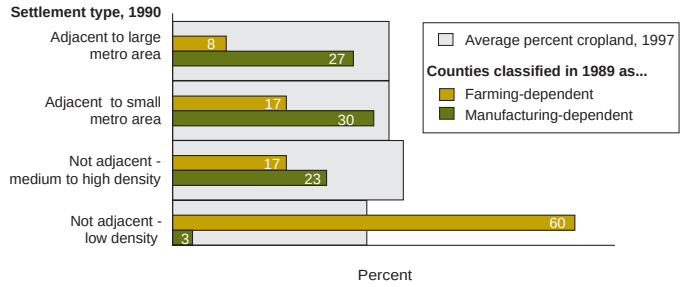
Declining farm employment is often cited as the reason that these counties have been losing population. But recent ERS research suggests that the drawback for such counties is less their agriculture than their remoteness and thin settlement, together with a lack of natural amenities. Natural amenities, including varied topography, lakes and ocean shore, sunny winters, and temperate summers, are a magnet for population and tourism.

Optimal conditions for most types of farming—flat and unbroken land, wet winters, and hot, humid summers—are not usually associated with the natural amenities that attract new residents. Thus, counties with low scores on the natural amenity scale tend to have extensive cropland but little recreation and second home development.

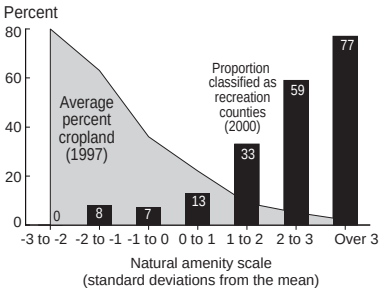
Young adults tend to move away from thinly settled, remote rural counties. Without natural amenities, these counties did not attract enough young families and retirees in the 1990s to make up for the loss of young adults. Over 80 percent lost population in 1990-2000. In contrast, only a small proportion of counties with very high amenity scores lost population.

Some poorly situated counties did gain population in the 1990s, often thanks to industrial agriculture, new Native American casinos, recreation and retirement around lakes, and new prisons.

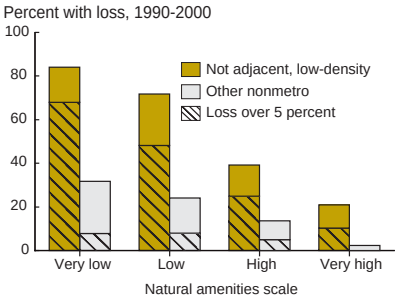
County dependence on farming correlates with rural isolation...



And a lack of natural amenities...



Which lead to population loss



Note: Amenity scale categories "low" and "high" are within a standard deviation of the mean.

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For more information, see *"Understanding Rural Population Loss,"* by David A. McGranahan and Calvin L. Beale, in *Rural America*, Vol. 17, No. 4, Winter 2002, available at: www.ers.usda.gov/publications/ruralamerica/ra174/

Rural Welfare Reform: What Have We Learned?

Since passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, welfare and food stamp caseloads have declined substantially, employment and earnings of single mothers have increased, and poverty rates of single mothers have fallen. Despite the high marks, there are signs that not all areas of the country are benefiting equally from the legislation.

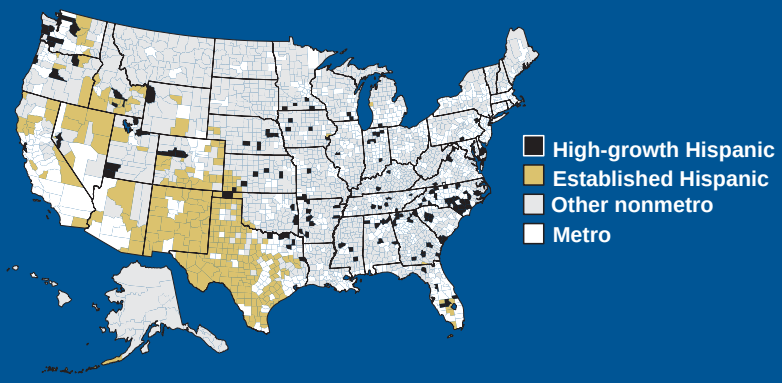
Specifically, rural outcomes of welfare reform may be different from urban outcomes. Employment in rural areas is more concentrated in low-wage industries, unemployment and underemployment are greater, poverty rates are higher, rural residents have less formal education, and work support services, such as paid child care and public transportation, are less available. These barriers suggest that welfare reform may be less successful in moving rural low-income adults into the workforce, off of welfare, and out of poverty.

According to results from national studies, welfare reform outcomes did not differ greatly between rural and urban areas. However, when national-level findings are disaggregated by State and by rural and urban areas within States, a less positive picture emerges. Several studies of individual State welfare programs have shown consistently smaller changes in welfare caseloads, employment, earnings, and poverty in rural areas than in urban areas. In Minnesota, for example, improvements in the employment and earnings of

Hispanics Find a Home in Rural America

Hispanics are the fastest growing segment of the American population, and this growth is especially striking in rural America. The 2000 census shows that Hispanics accounted for only 5.5 percent of the Nation's nonmetro population, but 25 percent of nonmetro population growth during the 1990s. Many counties throughout the Midwest and Great Plains would have lost population without recent Hispanic population growth. Among nonmetro counties with high Hispanic population growth in the 1990s, the Hispanic growth rate exceeded 150 percent, compared with an average growth rate of 14 percent for non-Hispanics. Moreover, Hispanics are no longer concentrated in Texas, California, and other Southwestern States—today nearly half of all nonmetro Hispanics live outside the Southwest.

High-growth Hispanic counties are mostly in the South and Midwest



Source: Prepared by ERS using data from the U.S. Census Bureau.

Residential segregation is an important measure of assimilation, because it reflects the ability of newcomers to integrate socially and economically with the native population. ERS researchers evaluated segregation patterns in metro and nonmetro America using 1990 and 2000 census population data to calculate the Dissimilarity Index, an established measure of relative population distribution between two groups. Nationally, the Hispanic population is clearly more dispersed throughout regions, States, and counties than ever before, the result of migration patterns changing from destinations in the Southwest to those in the South and Midwest. Decreases in the Dissimilarity Index between Whites and Hispanics across all nonmetro U.S. counties reflect this growing dispersion. However, at the neighborhood level, a different picture emerges. Residential segregation increased over the decade, with the largest increases occurring in nonmetro counties experiencing high Hispanic population growth. While neighborhood-level segregation in U.S. metro counties exceeded that of high-growth nonmetro counties in 1990, the reverse was true by 2000.

Rural population growth and increasing residential segregation have significant implications for economic development and socioeconomic inequality. Hispanic population growth in rural areas often coincides with revived economies from expanded manufacturing, increased recreation and tourism, and growing retirement destinations. However, relatively sudden influxes of ethnic-minority, low-wage workers and their families can overwhelm rural school systems, depress local wages, increase demand for social services, and contribute to income inequality and residential segregation. The extent to which Hispanic inmigrants integrate spatially within a community directly affects their interaction with the community as well as native attitudes toward ethnic and racial diversity. If Hispanic neighborhoods become increasingly segregated, they will likely experience declining access to retail centers, growing dependence on government assistance, underfunded schools and social services, and transportation barriers to employment. Future population shifts, low-wage job availability, skill upgrading, and State and community-level support programs will affect the degree to which Hispanics assimilate in rural America.

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For more information, see the ERS Briefing Room on Rural Population and Migration: www.ers.usda.gov/Briefing/Population/

welfare recipients due to welfare reform were smaller in rural areas than in urban areas, and were not as lasting. The smaller effects in rural areas result from differences between State programs in terms of how eligibility, benefits, and work requirements are determined, as well as rural-urban differences in job opportunities, availability of critical work supports, and characteristics of welfare recipients. As seen in county-level studies, the poorest and most remote rural areas experienced fewer successes in reducing poverty and moving former welfare recipients into the workforce on a lasting basis. For example, 360 nonmetro (or rural) counties have had poverty rates of at least 20 percent in every decade since 1960. These areas have a disproportionate number of economically vulnerable residents and have weaker local economies than other rural places, making successful welfare reform more difficult to achieve.

As Congress considers reauthorization of PRWORA, the policy debate will focus on many critical issues, such as funding levels, time limits and sanctions, child care, and the adequacy of provisions for future economic downturns. Study results on welfare outcomes provide a strong empirical base to better comprehend the importance of rural and urban diversity in welfare policy design.

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For more information, see *Issues in Food Assistance—Reforming Welfare: What Does It Mean for Rural Areas?* by Leslie A. Whitener, Greg J. Duncan, and Bruce A. Weber, FANRR-26-4, June 2002, available at: www.ers.usda.gov/publications/fanrr26/fanrr26-4/